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OF COUNSEL
MICHAEL F. JONES
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BRENT A. BOHMAN

October 13, 1994

School and Institutional
Trust Lands Administration
State of Utah
355 West North Temple
3 Triad Center, Suite 400
Salt Lake City, UT 84180
Attn: John Blake

OCT 14 1994

Re: *SULA #752 Millard County,
Utah*

Dear Mr. Blake:

Enclosed for your information is a copy of Relinquishment and Surrender of SULA Lease #752 by Crystal Peak Minerals Corporation, pertaining to the south half of Section 16, Township 24 South, Range 12 West, Millard County, Utah, dated April 28, 1993 and previously filed with the Division of State Lands on May 7, 1993.

At the time the SULA #752 was acquired by Crystal Peak Minerals Company, it also posted Corporate Surety Bond #4600013, dated August 1, 1989 in the amount of \$5,000. A copy of the Bond is enclosed for ready reference.

For your information, the purpose of acquisition of the SULA #752 and the Bond (i.e., site for construction and maintenance of a mineral processing plant) were never utilized for that purpose as the project never progressed to that point. The project was abandoned in 1993 and reclamation on the entire project area was performed by Crystal Peak Minerals Corporation.

Reclamation has been completed on the project, with the exception of a contingent reseeding requirement on a small area of federal land not a part of the lands covered by SULA 752. You may obtain verification of this from Wayne Hedberg of the Utah Division of Oil, Gas & Mining.

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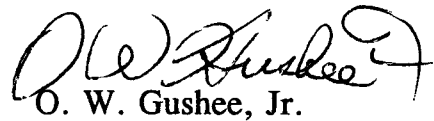
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John Blake
School and Institutional
Trust Lands Administration
October 13, 1994
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On behalf of Crystal Peak Minerals Corporation, it is requested that the School and Institutional Trust Lands Administration, as successor to the Division of State Lands and Forestry, promptly release Bond #4600013.

Please let me know if you have any questions or comments.

Very truly yours,



O. W. Gushee, Jr.

OWG:sh
1089.48
Enclosures
cc: Wayne Hedberg
1089\corr\sitla.ltr

COPY

OND NO. 4600013
CORPORATE SURETY BOND

STATE OF UTAH
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we CRYSTAL PEAK MINERALS CORPORATION
A Utah Corporation of P. O. Box 3006, Houston, Texas 77253-3006
as principal and HARTFORD ACCIDENT AND INDEMNITY COMPANY, as
surety, are held and firmly bound unto the State of Utah in the sum of Five Thousand and
No/100----- Dollars (\$ 5,000.00) lawful money of the United States to be paid
to the Board of State Lands and Forestry, as agent for the State of Utah, for the use and bene-
fit of the State of Utah, and of any patentee or purchaser of any portion of the land covered by
the hereinafter described lease heretofore sold or which may hereafter be sold with a reserva-
tion to the State of Utah, on the surface or of other mineral deposits of any portion of such
lands, for which payment, will and truly to be made, we bind ourselves, and each of us, and
each of our heirs, executors, administrators, successors, sublessees, and assignees, jointly
and severally by these presents.

Signed with our hands and seals this 1st day of August in the year of our Lord,
1989.

The condition of the foregoing obligation is such that,

WHEREAS, The State of Utah, as Lessor, issued a(n) Special Use Lease Agreement
lease, Lease Number 752 and dated February 23, 1988, to Crystal Peak
Minerals Corporation as lessee for the purpose of
Construction and maintenance of a mineral on the following described lands to wit:
processing plant

T 24S, R 12W, SLB&M
Sec. 16: S $\frac{1}{2}$

NOW, THEREFORE, THE principal shall be obligated to pay all monies, rentals, royalties,
cost of reclamation, damages to the surface and improvements thereon and any other costs which
arise by operation of the above described lease(s) accruing to the Lessor and shall fully com-
ply with all other terms and conditions of said lease, the rules, regulations, and policies
relating thereto of the Board of State Lands and Forestry, Division of State Lands and Forestry,
the Board of Oil, Gas and Mining, and the Division of Oil, Gas and Mining as they may now ex-
ist or may from time to time be modified or amended. This obligation is in effect even if the
principal has conveyed part of the purchase agreement interest to a successor in interest. If
the principal fully satisfies the above described obligations, then the surety's obligation to
make payment to the State of Utah is void and of no effect, otherwise, it shall remain in full
force and effect until released by the Division of State Lands and Forestry.

Signed, sealed and delivered in the presence of

CRYSTAL PEAK MINERALS CORPORATION

Attest: Donald S. Seay
WITNESS

BY: William V. F. Clark (Seal)

BONDING COMPANY HARTFORD ACCIDENT AND INDEMNITY COMPANY

BY: Philip N. Blair, Attorney-in-Fact

Witness: ~~XXXXXX~~ Lynn Mathes

RESIDENT AGENT: Donna George

BONDING CO. ADDRESS: 205 West 700 South, Salt Lake City
UT 84101

Corporate Seal of Bonding Company Must Be Affixed.

HARTFORD ACCIDENT AND INDEMNITY COMPANY

Hartford, Connecticut

610107

POWER OF ATTORNEY

Know all men by these Presents, That the HARTFORD ACCIDENT AND INDEMNITY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, does hereby make, constitute and appoint

ALBERT W. SMITH, N. CAROTHERS, CHARLES F. LAYTON, JR., PHILIP N. BAIR,
PHYLLIS RAMIREZ, JANIE CANTU and LYNN B. MATHES of HOUSTON, TEXAS

its true and lawful Attorney(s)-in-Fact, with full power and authority to each of said Attorney(s)-in-Fact, in their separate capacity if more than one is named above, to sign, execute and acknowledge any and all bonds and undertakings and other writings obligatory in the nature thereof on behalf of the company in its business of guaranteeing the fidelity of persons holding places of public or private trust; guaranteeing the performance of contracts other than insurance policies; guaranteeing the performance of insurance contracts where surety bonds are accepted by states and municipalities, and executing or guaranteeing bonds and undertakings required or permitted in all actions or proceedings or by law allowed,

and to bind the HARTFORD ACCIDENT AND INDEMNITY COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the HARTFORD ACCIDENT AND INDEMNITY COMPANY and sealed and attested by one other of such Officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

This power of attorney is granted by and under authority of the following provisions:

(1) By-Laws adopted by the Stockholders of the HARTFORD ACCIDENT AND INDEMNITY COMPANY at a meeting duly called and held on the 10th day of February, 1943.

ARTICLE IV

SECTION 8. The President or any Vice-President, acting with any Secretary or Assistant Secretary, shall have power and authority to appoint, for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, one or more Resident Vice-Presidents, Resident Assistant Secretaries and Attorneys-in-Fact and at any time to remove any such Resident Vice-President, Resident Assistant Secretary, or Attorney-in-Fact, and revoke the power and authority given to him.

SECTION 11. Attorneys-in-Fact shall have power and authority, subject to the terms and limitations of the power of attorney issued to them, to execute and deliver on behalf of the Company and to attach the seal of the Company thereto any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by any such Attorney-in-Fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested by one other of such Officers.

(2) Excerpt from the Minutes of a meeting of the Board of Directors of the HARTFORD ACCIDENT AND INDEMNITY COMPANY duly called and held on the 11th day of June, 1976:

RESOLVED: Robert N. H. Sener, Assistant Vice-President and Thomas F. Delaney, Assistant Vice-President, shall each have as long as he holds such office the same power as any Vice-President under Sections 6, 7 and 8 of Article IV of the By-Laws of the Company.

This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Directors of the HARTFORD ACCIDENT AND INDEMNITY COMPANY at a meeting duly called and held on the 6th day of August, 1976.

RESOLVED, That, whereas Robert N. H. Sener, Assistant Vice-President and Thomas F. Delaney, Assistant Vice-President, acting with any Secretary or Assistant Secretary, each have the power and authority, as long as he holds such office, to appoint by a power of attorney, for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, one or more Resident Vice-Presidents, Assistant Secretaries and Attorneys-in-Fact:

Now, therefore, the signatures of such Officers and the seal of the Company may be affixed to any such power of attorney or to any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

In Witness Whereof, the HARTFORD ACCIDENT AND INDEMNITY COMPANY has caused these presents to be signed by its Assistant Vice-President, and its corporate seal to be hereto affixed, duly attested by its Secretary, this 1st day of April, 1983.

Attest:

HARTFORD ACCIDENT AND INDEMNITY COMPANY

Mary Schaff
Mary Schaff, Secretary



Robert N. H. Sener
Robert N. H. Sener
Assistant Vice-President

STATE OF CONNECTICUT, }
COUNTY OF HARTFORD, } ss.

On this 1st day of April, A.D. 1983, before me personally came Robert N. H. Sener, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is the Assistant Vice-President of the HARTFORD ACCIDENT AND INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.



Gloria Mazotas
Gloria Mazotas, Notary Public
My Commission Expires March 31, 1988

STATE OF CONNECTICUT, }
COUNTY OF HARTFORD, } ss.

CERTIFICATE

I, the undersigned, Assistant Secretary of the HARTFORD ACCIDENT AND INDEMNITY COMPANY, a Connecticut Corporation, DO HEREBY CERTIFY that the foregoing and attached POWER OF ATTORNEY remains in full force and has not been revoked; and furthermore, that Article IV, Sections 8 and 11, of the By-Laws of the Company, and the Resolutions of the Board of Directors, set forth in: the Power of Attorney, are now in force.

Signed and sealed at the City of Hartford. Dated the 1st day of August 19 89



David A. Johnson
David A. Johnson
Assistant Secretary

FILE COPY

RELINQUISHMENT AND SURRENDER OF LEASE

WHEREAS, effective November 1, 1987, State of Utah, acting by and through the Division of State Lands & Forestry, as Lessor, and Crystal Peak Minerals Corporation, as Lessee, entered into Special Use Lease Agreement No. 752 covering the following described lands situated in Millard County, Utah, to wit:

Township 24 South, Range 12 West, SLM, Utah

Section 16: S $\frac{1}{2}$

NOW, THEREFORE, CRYSTAL PEAK MINERALS CORPORATION, P.O. Box 3006, Houston, Texas 77253-3006, Lessee, does hereby relinquish and surrender all right, title and interest in and to SULA No. 752.

IN WITNESS WHEREOF, this instrument is executed this 28th day of April, 1993.

CRYSTAL PEAK MINERALS CORPORATION

DECISION/RECORD RATIONALE

DECISION: I have decided to allow W. D. Haden to proceed with the proposed actions subject to the attached stipulations.

RATIONALE: Potassium and salt are important to agriculture and industry. Approval of the project would provide potassium sulfate, an important agricultural fertilizer provide needed long term jobs for residents of Millard and Beaver Counties.

FINDINGS OF NO SIGNIFICANT IMPACT: I have reviewed the EA and I find the impacts are insignificant. Since the impacts are not significant, an Environmental Impact Statement is not needed.

STIPULATIONS:

1. The dust from the Black Rock Road, parking lots, and other roads will be reduced by spraying Magnesium Chloride on the smooth surface.
2. The borrow pits will be sloped and shaped so the pits will appear a wide spot in a draw. Each borrow pit will be designed with a livestock/wildlife pond in it which shall catch precipitation runoff. The catchment ponds will be built so animals could enter the water, drink and safely exit. Once construction is completed and equipment is not disturbing the soil, all areas which are not occupied by roads, structures, parking lots, powerline etc. will be seeded with the following mix:

6. If previously unknown cultural or paleontological values are discovered during construction, (i.e., excavation) all work will stop and the District Archaeologist will be called to clear the problem.

7. Upon abandonment of the salt extraction operation, the processing plant and associated facilities located on State land (Section 16, under a lease) will be removed. The earth will be returned to a natural contour and reseeded to specifications of the State of Utah.

8. The dikes and ponds on BLM land will be restored. If the lake level is high, the dikes will be breached so that wave action would reduce the dikes to the flat bottom of the lake. If the lake is dry, the dike material will be spread to the flat contour of the lake bed. All structures will be removed and the surface returned to a natural contour. The process water wells, if still functional, will become the property of BLM. All disturbed areas will be seeded with the seed mix specified in the soils section of the mitigation portion of this EA.

Ronald J. Penetration

<u>SEED</u>	<u>POUNDS PER ACRE</u>
Indian Ricegrass	1/2
Prostrate Kosha	1
Ephraim Crested Wheatgrass	3
Winterfat	1/2

This seed mix will not be used in areas of high salt concentration, i.e., on dikes or near the salt storage piles, but all viable areas, i.e., borrow pits, well field, powerline, etc. will be seeded.

Top soil from the borrow pits will be stockpiled, then spread over the pits as part of the site rehabilitation.

3. Crystal Peak Minerals Corporation shall place a water tap in the process water line so BLM can supply water to livestock/wildlife.

4. Crystal Peak Minerals Corporation will insure that eagle perches will be built every .5 mile along the powerline. The perches would be built in accordance with REA Bulletin 61-10, Figure 5. This construction would provide a safe roost for eagles.

5. The collection ditches will not be built any further north than necessary and the ditch berms north of the needle point dike will be spread out so they are fairly flat. The dikes throughout the project will be kept to a minimum height as needed for the project. Dikes, buildings and other structures will be built with materials and colors that blend with the surrounding landscape. The powerline will be constructed with wood poles to blend into the surroundings.